



2010 FEDERAL HEALTH REFORM MEDICAID DISPROPORTIONATE SHARE HOSPITAL (DSH) FACT SHEET

President Obama signed comprehensive health reform, the Patient Protection and Affordable Care Act on March 23, and the Health Care and Education Reconciliation Act of 2010, on March 30, 2010.

This fact sheet summarizes the provisions related to the Disproportionate Share Hospital (DSH) program.

Nationwide, the Medicaid DSH allotments are reduced under the measure as follows:

Year	National DSH Reduction
2014	\$0.5 billion
2015	\$0.6 billion
2016	\$0.6 billion
2017	\$1.8 billion
2018	\$5 billion
2019	\$5.6 billion
2020	\$4 billion
TOTAL	\$18.1 billion

In addition, the measure requires the Secretary of Health and Human Services to develop a methodology to distribute the DSH reductions so that the largest reduction in DSH allotments are on (1) states with the lowest percentage of uninsured; or (2) states that do not target their DSH payments to hospitals with high volumes of Medicaid inpatients and high levels of uncompensated care. The methodology will also impose smaller reductions for low-DSH states (California is not a low-DSH state) and accounts for DSH allotments used for Section 1115 waivers.

At this time, it is impossible to determine the reductions to California's DSH allotment and to individual hospitals.